

UNITED STATES SENATOR • IOWA

CHUCK GRASSLEY

<http://grassley.senate.gov>
press@grassley.senate.gov

Contact: Jill Kozeny, 202/224-1308
Jill Gerber, 202/224-6522

Note: Sen. Chuck Grassley, ranking member of the Finance Committee, made the following comments in support of legislation to implement the U.S.-Jordan Free Trade Agreement. The Senate today passed the same version of the legislation as the House had passed, so the bill will go directly to the President.

Statement of Sen. Chuck Grassley on H.R. 2603,
The U.S.-Jordan Free Trade Agreement

I rise today to speak in support of H.R. 2603, legislation which will implement the U.S.-Jordan Free Trade Agreement. I hope my colleagues will join me in support. But before we move forward allow me to put the agreement in context.

It's been almost a year since President Clinton and King Abdullah signed the U.S.-Jordan Free Trade Agreement. By all accounts the agreement should have passed Congress with little controversy. The kingdom of Jordan and King Abdullah are good friends of the United States. The agreement itself is a good agreement. It opens up new markets for U.S. exports to Jordan. And it enhances Jordan's access to our markets. But there is one part of the agreement that caused problems.

These are controversial labor and environment provisions that were put in the Jordan Free Trade Agreement. It is these labor and environment provisions which slowed passage of an agreement that should have passed both houses of Congress quickly. In the Senate legislation was introduced by our distinguished chairman on March 28, 2001, to implement the agreement. On July 17, the Finance Committee began to debate the bill. During debate many members expressed concern about the labor and environment provisions in the Jordan agreement. Many others pushed hard for an amendment to the agreement which would give the President trade negotiating authority. Unfortunately, this amendment was withdrawn because of committee opposition.

To help move the agreement forward, the U.S. government and the government of Jordan exchanged official letters on July 23, 2001. These important letters clarified that neither government intends to apply the labor and environment provisions in a way which blocks trade. I would like to include these letters for the record. The exchange of letters was an important development. After all, the purpose of a free trade agreement is to facilitate trade. While these commitments did not resolve every senator's concern with the agreement, they were an important step forward.

And because of these letters the Finance Committee was able to complete consideration of the bill on July 26, 2001. Unfortunately, some tend to characterize the labor and environment provisions in the Jordan FTA as a precedent for future trade legislation. Let me say loud and clear today that I do not. But that does not mean the Jordan Free Trade Agreement does not set a precedent. It is the first free trade agreement that we have entered into with a Muslim country. I hope it is not the last. I also hope this sends a loud signal to our Muslim friends and our friends around the world. The United States wants close trading relationships with you. We want to help your economies grow through trade. We want to enhance prosperity throughout the Middle East and

the world. Free trade is a powerful engine of growth. It can lift millions from poverty. It can open new doors of hope. It offers opportunity to people who have known only despair.

Trade can help undermine terrorism by taking away the fertile ground of poverty and hopelessness from which it is sown. It can broaden horizons and lift the human spirit to greatness. Our friends and allies must know that we share their hope for the future. They must know that we will be partners in trade. They must know that we will open our arms and embrace them through trade. Just as trade lifted Germany and Japan from the ashes of World War II it can lift nations today. But we have to have the tools to make it work. There is no more important tool than Trade Promotion Authority for the President of the United States. It is time to give the President the power to negotiate trade agreements with our friends and allies.

The Finance Committee has quite a history of bipartisanship in this area. This legislation passed the Committee with broad bipartisan support. We in the Senate did not wait for others to act. We seized the reins of leadership and moved ahead. Today we need to do that as well. At a time when the world economy is slowing, we must act. We must put aside our partisan preconditions and excuses to trade and show the world that the United States is ready, willing, and able to lead.